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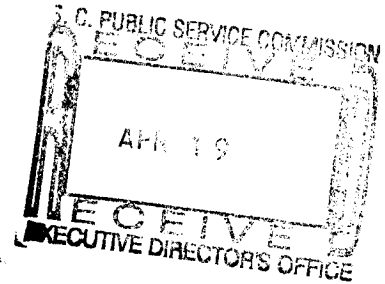
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April 18, 2005

VIA ELECTRONIC AND 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Executive Director
SC Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211



RE: Application of UCN, Inc. for Amendment of Its Existing Certificate of Public Convenience and Necessity to Transact Business of a Reseller and Facilities-Based Provider of Local Exchange Services, for Approval of its Initial Tariff, and for Flexible Regulation First Granted in Docket 97-467-C
Docket No. 2005-40-C, Our File No. 981-10287

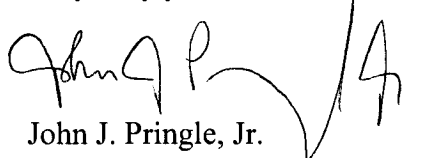
Dear Mr. Terreni:

Enclosed is the original and twenty-five (25) copies of the **Verified Testimony of Kimm Partridge** filed on behalf of UCN, Inc. in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,

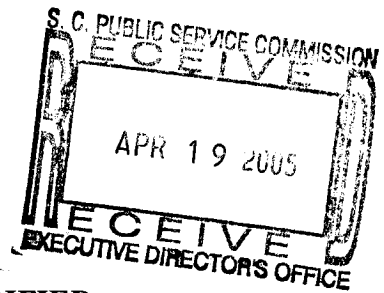

John J. Pringle, Jr.

JJP/cr

cc: Ms. Kimm Partridge [via first-class mail service]
Jonathan Marshlian, Esquire [via first-class mail service]
Office of Regulatory Staff [via electronic and first-class mail service]
Margaret Fox, Esquire [via first-class mail service]

Enclosures

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-40-C**



In the Matter of
The Application of UCN, Inc. for Amendment of its Existing
Certificate of Public Convenience and Necessity to Transact
the Business of a Reseller and Facilities Based Provider of
Local Exchange Services. for Approval of its Initial Tariff, and
for Flexible Regulation First Granted in Docket No. 97-467-C

**VERIFIED
TESTIMONY OF KIMM
PARTRIDGE**

1 **Q: Please state your name and business address for the record.**

2 A: Kimm Partridge, 14870 South Pony Express Road, Bluffdale, UT 84065.

3 **Q: By whom are you employed and in what capacity?**

4 A: UCN, Inc., formerly named Buyers United, Inc. d/b/a buyersonline d/b/a United
5 Carrier Networks ("UCN"). I am its Corporate Secretary.

6 **Q: Is the address of the company the same as that which you have just supplied?**

7 A: Yes.

8 **Q: Please describe your duties for the company.**

9 A: As Corporate Secretary, I am responsible for coordinating all administrative and
10 regulatory issues relating to new and/or existing services of UCN, including
11 certification, tariffing, regulatory compliance and other ministerial duties. I am
12 also responsible for overseeing legal and regulatory work performed on behalf of
13 UCN by law firms and agents of the company.

14

OK D. Duke
OK D. Duke

1 **Q: Please provide a brief background on your experience in**
2 **telecommunications.**

3 A: Since being named Corporate Secretary in the first quarter of 2003, I have been
4 responsible for coordinating administrative and regulatory matters relating to the
5 company's telecommunications operations. I have been involved in all aspects of
6 UCN's certification and regulatory compliance efforts in each state in which UCN
7 conducts its telecommunications business.

8 Both prior to and after being named Corporate Secretary, I have worked
9 closely with the company's President and CEO, Paul Jarman, to ensure all levels
10 of management are involved and aware of administrative and regulatory matters
11 affecting the company. In total, I have been employed by UCN for more than six
12 years. In this time, I have developed an understanding and working knowledge of
13 the complex and ever-changing telecommunications industry in which UCN
14 operates.

15 UCN also utilizes experienced telecommunications legal counsel and
16 consultants when such assistance is required. As Corporate Secretary, I am
17 responsible for overseeing and monitoring the work performed on UCN's behalf
18 by these experts.

19 In addition, UCN has an experienced and competent management team, as
20 indicated in Exhibit C of the Application.

21 **Q: Please describe the names, titles, and brief biographical information for your**
22 **other key management personnel.**

23 A: See Exhibit C to the Application

1 **Q: Are you familiar with the Application of your company submitted to this**
2 **Commission?**

3 A: Yes.

4 **Q: Do you ratify and confirm the statements and representations made in that**
5 **petition?**

6 A: Yes.

7 **Q: What is the purpose of your testimony?**

8 A: The purpose of my testimony is to present evidence on the financial, managerial
9 and technical abilities of UCN to provide local exchange service in South
10 Carolina.

11 **Q: What is the ownership structure of UCN, Inc.?**

12 A: UCN is a publicly-traded Delaware corporation. The company's stock symbol is:
13 UCNN.OB.

14 **Q: Has this Commission previously granted telecommunications authority to**
15 **UCN?**

16 A: Yes. UCN currently provides resold long distance services to business and
17 residential consumers in South Carolina pursuant to a Certificate originally issued by
18 the Commission to Buyers United International, Inc. via Order No. 1999-2, in
19 Docket No. 98-375-C issued on January 4, 1999. Via two requests to the
20 Commission to effect name changes in Docket No. 98-375-C, (Order Nos. 2003-473
21 and 2004-588), "UCN, Inc." is currently the holder of the Certificate in question.

22

1 **Q: Please describe UCN's general managerial ability to provide the proposed**
2 **services.**

3 A: Applicant is guided by an experienced and highly able management team that
4 includes individuals who have distinguished themselves over the past several years
5 in executive positions within the telecommunications industry. The senior
6 management team possesses extensive business, technical, operational and
7 regulatory telecommunications experience, as detailed in Exhibit C of UCN's
8 Application.

9 **Q: Please describe Applicant's financial ability to provide the proposed services.**

10 A: UCN has substantial financial wherewithal and access to ample capital. Since 2000,
11 the company has delivered strong revenue growth beginning with \$7.36 million in
12 2000, \$14.34 million in 2001, \$30.16 million in 2002 and \$63.31 million in 2003.
13 During that growth period, the company has also experienced strong EBITDA and
14 net income (before preferred dividends) growth. For the year 2001, EBITDA was a
15 negative \$4.32 million, net loss was \$6.07 million; 2002 EPITDA was \$3.05
16 million, net income was \$330,183. For the year 2003, EBITDA was \$6.9 million,
17 net income was \$1.17 million.

18 As set forth in the company's most recent quarterly filing with the Securities
19 and Exchange Commission, UCN garnered nearly \$16 million in revenues for the
20 three-month period ending September 30, 2004, resulting in operating income of
21 nearly \$400,000. *See* SEC Form 10-Q, attached to the Application as Exhibit D.

22

1 **Q: Which carrier or carriers serve as your underlying carrier?**

2 A: UCN currently provides resold long distance services through facilities-based
3 long distance providers, including AT&T, MCI, WilTel and Qwest. When UCN
4 is authorized to provide local exchange services, it will initially provide these
5 services through commercial resale agreements with facilities-based competitive
6 suppliers, including AT&T, MCI and Level 3. UCN is currently in negotiations
7 with these suppliers. UCN will not, at the outset of its local operations,
8 interconnect directly with BellSouth Telecommunications or any other incumbent
9 local exchange carriers. Therefore, UCN will not be providing services through
10 unbundled network elements (UNEs) or UNE-P. However, UCN wishes to
11 reserve the ability to resell or lease network elements from competitively open
12 incumbent local exchange carriers in the future, as the market for its services
13 dictate.

14 **Q: Do any other carriers provide UCN with service?**

15 A: Not that I am aware of.

16 **Q: What local exchange services does UCN seek to offer in South Carolina?**

17 A: By its Application in the above-captioned docket, UCN requests expansion of its
18 existing authority to allow the company to offer its customers facilities-based and
19 resold competitive local exchange telecommunications services throughout the
20 state of South Carolina in the exchanges currently served by incumbent local
21 exchange carriers subject to competitive entry. UCN does not seek authority to
22 compete with ILECs subject to the federal "rural exemption." The resold and
23 facilities-based local exchange services UCN proposes to offer include business

1 class local loop connectivity and transmission, including, but not limited to 2-
2 wire, 4-wire, DS-1 and DS-3 loops. UCN will also provide local dialtone and
3 vertical features.

4 **Q: Please describe UCN's technical ability to provide this service.**

5 A: Applicant is guided by an experienced and highly able management team that
6 includes individuals who have distinguished themselves over the past several
7 years in executive positions within the telecommunications industry. The senior
8 management team possesses extensive technical, operational, and regulatory
9 telecommunications experience as detailed in Exhibit C to the Application.

10 **Q. How does UCN involve itself in the billing cycle of its customers?**

11 A: UCN bills its customers directly.

12 **Q: How does the Company handle customer service matters?**

13 A: We have a Customer Service Department and a 24-hour toll-free customer service
14 number. Customer inquiries regarding service or billing may be made in writing
15 or by telephone. UCN's customer service personnel will respond either in person
16 or via telephone as soon as possible, but no later than 24 hours from receipt of
17 inquiry.

18 **Q: Who is the billing contact person the Commission should contact if a billing**
19 **question arises?**

20 A: Address and Toll-Free Number of Customer Service Department:

21 UCN, Inc.
22 14870 South Pony Express Road
23 Bluffdale, UT 84065
24 Toll-free: (800) 363-6177
25

1 **Q: Who is the regulatory contact person if the Commission has regulatory**
2 **questions?**

3 A: I am. My telephone number is 866-541-0000.

4 **Q: Who is the financial information contact person if the Commission has**
5 **questions on financial issues?**

6 A: David Grow, UCN's Chief Financial Officer.

7 **Q: How long has UCN been in business?**

8 A: Buyers United, Inc. the former corporate name of UCN, Inc., was incorporated in
9 the State of Delaware on March 15, 1999. On July 15, 2004, Amended Articles
10 of Incorporation were filed with the Delaware Department of State changing the
11 corporate name to UCN, Inc.

12 **Q: Does UCN have offices in South Carolina?**

13 A: No. Accordingly UCN requests, pursuant to Commission Rule 103-610, that the
14 Applicant be allowed to keep its books and records at its corporate offices in the
15 State of Utah. In the event the Commission or the Office of Regulatory Staff
16 requests any of these records, we will provide them expeditiously and at our own
17 cost.

18 **Q: Why has UCN filed this Application?**

19 A: UCN's telecommunications offering will be beneficial to business users and, in
20 the future, residential customers across the nation. UCN desires to expand its
21 authority in all states in order to provide its customers with one source for all their
22 telecommunications needs.

1 **Q: Is UCN certified or otherwise authorized to provide local exchange services**
2 **of the type described herein in any other states?**

3 A: Yes. UCN is presently certified or otherwise authorized to offer local exchange
4 telecommunications services in Arkansas, Colorado, Florida, Illinois, Kentucky,
5 Maryland, Massachusetts, Minnesota, Missouri, Montana, Nevada, New Jersey,
6 New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington and
7 Wisconsin. UCN currently has applications pending in Alabama, Arizona,
8 California, Connecticut, Delaware, the District of Columbia, Georgia, Idaho,
9 Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi,
10 Nebraska, New Hampshire, New Mexico, North Carolina, Oklahoma, South
11 Carolina, Tennessee, Utah, Vermont and Wyoming. UCN is in the process of
12 applying for certification in all the remaining contiguous United States and
13 Hawaii.

14 **Q: What regulatory treatment is UCN seeking for its local exchange services?**

15 A: UCN requests that the Commission allow the Company to employ a flexible local
16 exchange rate structure first authorized by Order No. 98-165 in Docket No. 97-
17 467-C. Specifically, UCN requests that the Commission: a) adopt for its local
18 exchange services a competitive rate structure incorporating maximum rate levels
19 with the flexibility for rate adjustment below the maximum rate levels; and b)
20 presume that UCN's tariff filings for local exchange services be valid upon filing,
21 subject to the Commission's authority, within thirty (30) days, to institute an
22 investigation of such filings. At the discretion of the Commission such filings
23 may be suspended pending further order of the Commission and any such filings

1 may be subject to the same monitoring process as the Commission applies to
2 other, similarly situated carriers.

3 **Q: Will the Company file all applicable reports as required by the Commission?**

4 A: Yes. The Company is aware of the Commission's requirements that all
5 telecommunications carriers file a report on South Carolina operations, a gross
6 receipts report, and a universal service contribution report on an annual basis.

7 **Q: Will the services provided by UCN meet the service standards that the
8 Commission has adopted or may adopt?**

9 A: Yes.

10 **Q: Can UCN assure the Commission that its provision of service will not
11 adversely affect the availability of affordable local exchange service?**

12 A: Yes.

13 **Q: Will UCN, to the extent that it may be required to do so by the Commission,
14 participate in the support of universally available telephone service at
15 affordable rates?**

16 A: Yes.

17 **Q: Will UCN's provision of service otherwise impact the public interest?**

18 A: Amending UCN's certificate of public convenience and necessity to allow UCN
19 to provide local exchange services will have a positive impact on the public
20 interest. UCN's proposed service will provide alternative services of the highest
21 quality, will provide increased consumer choice in billing options, and will offer
22 increased diversification and increased reliability of communications services.
23 Our service offerings will enhance competition for telecommunications services

1 in this state because the addition of another supplier of telephone service will
2 increase competition in terms of price and quality of service for the business of
3 telephone service consumers.

4 **Q: Does UCN currently offer local exchange services in South Carolina?**

5 A: No. UCN will not market nor offer local exchange telecommunications services
6 until certified.

7 **Q: Does this conclude your prefiled testimony in support of your petition?**

8 A: Yes, it does.

STATE OF UTAH)
COUNTY OF Salt Lake)

Kimm Partridge, first duly sworn, on her oath and in her capacity as Corporate Secretary for UCN, Inc., states that she is authorized to provide on behalf of UCN this Testimony, and has knowledge of the matters stated in this Testimony, and that said matters are true and correct to the best of her knowledge and belief.

Kimm Partridge
Kimm Partridge, Corporate Secretary
UCN, Inc.

Subscribed and sworn to before me this 18th day of April, 2005.

[Signature]
Notary Public

My Commission Expires: February 20, 2008

